Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by Ameritech Michigan	)	**CC Docket No. 97-137**
Pursuant to Section 271 of the	)	
Telecommunications Act of 1996 to	)	
Provide In-Region, InterLATA	)	
Services in Michigan	)	

REPLY COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION

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July 7, 1997

EXECUTIVE SUMMARY

The Federal Communications Commission ("FCC" or "Commission") should join the Department of Justice ("DOJ") and the Michigan Public Service Commission ("MPSC") in concluding that Ameritech has failed to carry its burden of proving that it has fully implemented the competitive checklist and should join the DOJ in concluding that Ameritech's entry at this time would disserve the public interest.

Ameritech filed this application prematurely, before the MPSC established final, cost-based prices, before Ameritech was offering or able to offer either common transport or unbundled local switching, before Ameritech worked through the many problems that obstruct its few implemented Operations Support Systems ("OSS"), and before Ameritech even attempted to implement the many OSS systems it claims only to have tested. In all of these ways, instead of "fully implemented" working commercial relationships, Ameritech merely offers predictions about what local competition might look like after (and if) it keeps the many promises that litter its application. This is not what the Telecommunications Act of 1996 ("Act") requires.

Moreover, while Ameritech insists repeatedly that it is being unfairly held up because of its would-be competitors' refusal to order checklist items, for each of the checklist items the DOJ and the MPSC correctly identify as unsatisfied, the absence of the required competition is the result first and foremost of an Ameritech "slow roll." It is Ameritech, and not its competitors, that has slowed the pace of local competition. No party knows this better than MCI, which has been trying -- so far unsuccessfully -- to conclude an approved interconnection agreement with Ameritech in Michigan, and which has been stopped from competing in that state by Ameritech's adamant refusal to start

necessary preliminary arrangements until it has obtained such an agreement. A monopolist's claim that it has a monopoly because no one wishes to compete with it should be treated with skepticism.

Finally, the FCC should dismiss out of hand the claims made by SBC, BellSouth, and Bell Atlantic that the state of local competition is irrelevant to the Commission's public interest determination. If one thing is clear, it is that Congress understood that the local telecommunications markets are closed and enacted the 1996 Act to bring competition to local markets. The public interest standard draws its substance from this regulatory purpose. In particular, Congress enacted the public interest requirement because it was concerned that checklist compliance might not be enough to assure the creation of competitive local markets. If Congress wanted to prohibit the FCC from considering whether this fundamental goal of the Act had been achieved, the public interest test is the last method it would have chosen. The suggestion of the Bell Operating Companies ("BOCs") that the FCC ignore the Act's principal purpose in making its public interest determination is a tacit acknowledgment that Ameritech's application fails under any sensible understanding of the public interest.

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ARGUMENT

The Comments filed in response to Ameritech's application for interLATA entry in Michigan provide the strongest possible grounds to deny the application. They demonstrate that Ameritech has not carried its burden of proving that it has satisfied its obligations under the Act. This is not just the view of MCI and of Ameritech's other potential competitors. Both the DOJ and the MPSC agree that at the time it submitted its application, Ameritech did not meet the Act's requirements. The local competitors upon which Ameritech relies in making its application all reach the same conclusion.

Specifically, the DOJ found that Ameritech is not providing unbundled local switching or common transport, that Ameritech is not providing adequate wholesale support processes, including OSS, and that Ameritech is not providing adequate interconnection trunking facilities, all in violation of the Act's competitive checklist.[1] The DOJ also concluded that, given the state of competition in Michigan, and given the continuing pricing and non-pricing-related barriers to entry, granting this application is not in the public interest.[2]

The MPSC reached a similar conclusion. It determined that Ameritech failed to carry its burden of establishing that it provides common transport as required by the Act.[3] In addition, the

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[1]See In the Matter of the Application of Ameritech Michigan Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in the State of Michigan, CC Docket No. 97-137, Evaluation of the United States Department of Justice at 7-27 (June 25, 1997) ("DOJ Eval.").

[2]Id. at 29-43.

[3]See In the Matter of the Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region InterLATA Services in Michigan, CC Docket No. 97-137, Consultation of the Michigan Public Service Commission at 37-40 (June 9, 1997) ("MPSC Consult.").

MPSC determined that Ameritech did not prove that it is providing nondiscriminatory access to OSS.[4]

Moreover, the recommendations of the DOJ and MPSC are of a piece with the recommendations of the Public Service Commission of Wisconsin and the Hearing Examiner in Illinois, which also have concluded that Ameritech has not satisfied the checklist.[5]

Finally, the local carriers that Ameritech says are reaping the benefits of its compliance with the Act reach the same conclusion: Ameritech has not complied with the checklist, and its application should be denied. Brooks Fiber and TCG are carriers that have no long-distance operations and so cannot be accused of acting to protect long-distance market share. Their interests are solely in making local competition work, and their candid assessment of Ameritech's failures speaks volumes about Ameritech's inability to deliver wholesale services. In fact, the only interested parties that have come to Ameritech's defense are its sister Bell companies -- Bell Atlantic, BellSouth, and SBC -- and they for the most part discretely avoid discussion of the factual record, choosing instead to present legal arguments in anticipation of their own future applications.[6]

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[4]See id. at 13-34.

[5]See Public Service Commission of Wisconsin, Matter Relating to Satisfaction of Conditions for Offering InterLATA Service (Wisconsin Bell, d/b/a Ameritech Wisconsin), Docket No. 6720-TI-120, Findings of Fact, Conclusions of Law and Second Order (May 29, 1997); Illinois Commerce Commission, Investigation Concerning Illinois Bell Telephone Company's Compliance with Section 271(c) of the Telecommunications Act of 1996, Docket No. 96-0404, Hearing Examiner's Revised Second Proposed Order (revised June 20, 1997).

[6]BellSouth and SBC go so far as to suggest that it would be error for the Commission to review the factual record. In their view, checklist compliance requires only that a BOC make a paper commitment to "resolve issues . . . as they arise." Comments of BellSouth Corp. and SBC Communications Inc. on Ameritech Michigan's Application for Provision of In-Region InterLATA Services, in CC Docket No. 97-137 at 10 (quoting Ameritech Br. at 27-28) (June 10,

I. AMERITECH HAS NOT PROVED IT HAS SATISFIED THE THRESHOLD REQUIREMENTS OF THE ACT.

As the Commission has just reiterated, the burden is on the BOC applicant to prove each of the elements that needs to be established before any application can be granted.[7] In its Oklahoma Order the FCC also reemphasized that "[g]iven the expedited time in which the Commission must review these applications, it is the responsibility of the BOC to submit to the Commission a full and complete record upon which to make determinations on its application."[8]

Ameritech was well aware of these ground rules before it filed its application. Yet it chose to file in defiance of these rules, promising only that some time in the future it would provide the requisite checklist items, or failing altogether to submit the necessary record evidence. For example:

Facilities-Based Provider. Ameritech offers no proof that Brooks (according to Ameritech, the only potentially "facilities-based" provider meeting the requirements of Track A) provides service

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1997). As to the tens of thousands of pages of documented Ameritech compliance problems, such "implementation glitch[es]" can be safely ignored. Id. at 9. The BOCs evidently also would have the Commission ignore the Congressional expectation that "operational" competitors are required to "assist . . . in the explicit factual determination by the Commission [required] under new section 271(d)(2)(B) that the requesting BOC has fully implemented the interconnection agreement elements set out in the checklist." H.R. Rep. No. 104-458, at 148 (1996).

[7]See In the Matter of Application by SBC Communications, Inc., Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in the State of Oklahoma, CC Docket No. 97-121 at 10 & n.52 (1997) ("Oklahoma Order").

[8]Id. at 36 (citing Application by Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan, CC Docket No. 97-1, Order, 12 FCC Rcd 3309, 3323 (1997), and Procedures for Bell Operating Company Applications Under New Section 271 of the Communications Act, Public Notice, 11 FCC Rcd 19708, 19711 (1997) ("We expect that a section 271 application, as originally filed, will include all of the factual evidence on which the applicant would have the Commission rely in making its findings thereon.")).

"predominantly" through its own facilities -- offering instead only general assertions that Brooks provides some of its own switching and transport.[9]

Cost-Based Prices. Ameritech filed its application only weeks before the MPSC had committed to announce final cost-based prices. Thumbing its nose at the MPSC and the FCC in this manner, Ameritech relies on interim prices that the MPSC found are based on "flaw[ed]" studies. MPSC Order of Dec. 12, 1996, in Case Nos. U-11155 & U-11156, at 7; see Palmer Aff. ¶¶ 15, 18, 19. In particular, the interim prices for non-recurring charges for certain network elements and for physical collocation are grossly excessive.[10] The DOJ unsurprisingly was "particularly concerned where only interim prices that have not been found to be cost-based are available." DOJ Eval. at 42.[11]

Common Transport. Ameritech filed its application before this Commission has ruled on Ameritech's dilatory motion to "clarify" the meaning of the Act's requirement that BOCs provide "common transport," though to be sure the DOJ, as well as "both the MPSC and the [Public Service Commission of Wisconsin] have rejected Ameritech's refusal to provide common transport." DOJ Eval. at 15 & n.20. Awaiting the Commission's ruling, Ameritech has only just begun to test

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[9]The DOJ determined that because Brooks "provides significant switching and transport of its own . . . it is reasonable to conclude that Brooks is predominantly a facilities-based provider." DOJ Eval. at 6-7. This conclusion is unsupported: the statute requires proof that the CLEC's own facilities are predominant, not that they are merely significant.

[10] See In the Matter of Application by Ameritech Michigan for Authorization Under Section 271 of the Communications Act to Provide In-Region InterLATA Service in the State of Michigan, CC Docket No. 97-137, Comments of MCI Telecommunications Corp. In Opposition to Ameritech's Section 271 Application for Michigan at 24-25 (June 10, 1997) ("MCI Comments"). Cf. DOJ Eval. at 42 (noting questionable nature of these charges).

[11] Because so much else was wrong with Ameritech's application, the DOJ assumed that after this application is denied, the FCC will be able to "await the results of the ongoing Michigan pricing docket, which should soon reach a decision." Id. at 43.

common transport and is not now either willing or able to provide common transport in a manner that enables competitors to collect originating or terminating access. See Kocher Aff. ¶¶ 67-68; DOJ Eval. at 12-14. Until the FCC orders it to do otherwise, Ameritech will continue to refuse to provide common transport. Kocher Aff. ¶ 70. And, after the FCC rules, Ameritech will only just start the process that will not be complete until it can actually provide this checklist item in commercially significant quantities. This failure is no mere technical deficiency -- as the DOJ recognized, common transport is a network element that is critical to local market entry through many combinations of unbundled network elements, and Ameritech's failure to provide this element therefore is a substantial barrier to entry. DOJ Eval. at 15.

The delay in providing common transport must be laid entirely at Ameritech's doorstep. AT&T notes in its comments that it was only after the record in the AT&T/Ameritech arbitration had closed that Ameritech took the position that the Act does not require unbundled access to common transport.[12] Even after the MPSC rejected that view, Ameritech refused to provide common transport, forcing AT&T to file a motion to compel Ameritech's compliance with the MPSC's order. AT&T Comments at 10. Yet still today, in the face of the Act, the Commission's Local Competition Order, and orders of the state commissions of Michigan, Illinois, and Wisconsin, Ameritech insists that it is not required to provide unbundled access to common transport. Id.[13] In place of checklist

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[12] See In the Matter of Application by Ameritech Michigan for Authorization Under Section 271 of the Communications Act to Provide In-Region InterLATA Service in the State of Michigan, CC Docket No. 97-137, Comments of AT&T Corp. In Opposition to Ameritech's Section 271 Application for Michigan at 10 (June 10, 1997) ("AT&T Comments").

[13] A detailed history of AT&T's attempts to obtain common transport in Michigan is set forth in paragraphs 20 through 34 of AT&T's Falcone/Sherry Affidavit.

compliance, Ameritech only in the future "commits to provide to any requesting carrier[] 'common transport'" when the Commission requires it to do so. Kocher Aff. ¶ 70. In sum, Ameritech's own affiant concedes that this checklist item was not available on the day its application was filed. Id.

OSS. Ameritech's decision to file its application before it could offer functioning, appropriate OSS necessary to provide checklist items reflects a similar manipulation of the regulatory process. As we stressed in our opening submission, leaving aside the relatively simple OSS necessary to order resold plain old telephone service ("POTS"), Ameritech has never put into use most of the OSS it claims to have "provided."

Ameritech's assurances that all of its virgin and complex OSS is fully operational and ready to support commercially significant volumes of the most complex orders simply cannot be squared with the fact that Ameritech made identical claims for its resale POTS OSS back in January, and those claims have proven to be false. For six months after it was supposed to be fully operational (and six months after the FCC ordered the BOCs to provide fully operational OSS), Ameritech's resale POTS OSS is still so full of errors, and so dependent upon manual handling, that no competitor can safely launch any substantial resale operations in Michigan. Indeed, as recently as two weeks ago, Ameritech conceded responsibility for the disastrously high percentage of resale orders that simply got "lost" in its system, and said it would hire 50 new employees to fix the problem. Supplemental Affidavit of Cari Sanborn ¶ 10 (Exhibit A hereto) ("Sanborn Supplemental Aff."). In truth, it is simply not possible today to tell with any certainty what is going on with orders that are sent into

Ameritech's black hole, or how those orders will be treated.[14]

All that being so, it could not have come as any surprise to Ameritech that the MPSC, the Wisconsin PSC, and the DOJ all concluded that Ameritech's OSS for both resale and unbundled network elements is not operational. MCI Comments at 17-21. But while the MPSC and the DOJ are willing to credit Ameritech with making a good faith effort but falling short, in fact Ameritech's recalcitrance accounts for many of the reasons that OSS is not operational. Thus:

- Ameritech would not provide written documentation for OSS until April 1997, four months after this Commission ordered it to provide fully operational OSS. Affidavit of Samuel King, Exhibit D to MCI Comments, ¶ 37.

- Even today there is no adequate documentation for the OSS for unbundled network elements. The April guides contain a grand total of 15 pages on this complex OSS, and for the most part simply tell CLECs to call Ameritech with questions. Id. ¶ 43.

- Ameritech refuses to standardize its USOC codes. Id. ¶ 110.

- Ameritech routinely misses meeting deadlines and refuses to answer questions about its OSS. For example, a meeting MCI requested in November 1996 was not held until January 1997, and the questions posed in November were not answered until April the following year. Id. ¶ 40; see also id. ¶ 39 (six week delay in scheduling meeting).

- From February to March 1997, Ameritech refused to give MCI correct codes for ordering toll restrictions, failed to answer questions about how to order 900/976 blocking, and failed to explain how to order caller ID with name. Id. ¶ 41.

- Although EDI version 7.0 was finalized in February 1997, Ameritech refuses to commit to its use until 120 days after formal approval by the standard-setting body (which occurred in

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[14]While MCI's resale orders continue to languish, Ameritech has apparently expended extraordinary efforts to provide a manual "fix" to the substantial backlog of AT&T resale orders, pulling its employees off of other tasks and devoting them exclusively to AT&T. See letter from Morton Bahr to Donald Russell, reprinted in Washington Telecom Week, July 4, 1997, at 12. Whatever the current status of AT&T orders, Ameritech's resort to manual handling in such a discriminatory manner is still further proof that it is unable to provide resold services to all of its competitors in a commercially reasonable manner.

June 1997). Id. ¶ 73.

- Ameritech refused to commit to the industry standard LSR for loop provisioning until the MPSC hearing in May, even though the industry had adopted the standard in October 1996. Ameritech will not commit to implementing this standard until January 1998. Id. ¶ 129.

- In response to MCI's complaint, raised almost three months earlier, that MCI could not suspend and restore a resale customer's service for non-payment, Ameritech stated on February 26, 1997, that it would file a tariff to address the problem. Over four months later, no tariff has yet been filed. Id. ¶ 108.

MCI's King Affidavit and Sanborn Supplemental Affidavit address in detail the many OSS-related problems that MCI has experienced with Ameritech. Other CLECs have had similar problems.[15]

Unbundled Local Switching. Ameritech admits that at the time it filed its application it had not yet furnished unbundled switching ("ULS") to any competing carrier, though CLECs had bargained for ULS, and though AT&T and Ameritech had begun the testing process that has to be completed before any ordering can begin. See, e.g., Ameritech Br. at 15, 46. MCI too is now testing Ameritech's ULS offering and would have done so earlier but for the fact that Ameritech refused to agree to any testing until MCI had a signed interconnection agreement. Affidavit of Cari Sanborn, Exhibit G to MCI's Comments, ¶ 58 ("Sanborn Aff."). Although it maintains that competitors have not ordered unbundled switching, Ameritech is forced to acknowledge that this ULS testing is just beginning its initial phase. See Kocher Aff. ¶¶ 71-74. Indeed, Ameritech highlights the embryonic state of this testing by admitting that its application "could be delayed or denied if the Commission reasonably concludes that the [AT&T/Ameritech] Trial has failed in a material respect due to a cause

[15]See, e.g., AT&T Comments at 21-26; In the Matter of Application of Ameritech Michigan Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Michigan, CC Docket No. 97-137, Opposition of Brooks Fiber Communications of Michigan to Ameritech's Application at 17-22 (June 10, 1997).

within Ameritech's control." Id. ¶ 71. This admission makes it clear that the critical testing had not yet occurred when Ameritech submitted its application (and, as AT&T's comments demonstrate, it still has not occurred). AT&T Comments at 19-20. It is equally clear, therefore, that Ameritech's claims to have made unbundled switching available cannot be credited. The simple fact is that, by its own admission, Ameritech chose to file its application before the necessary testing of its unbundled switching had even really started. For the reasons stated above, testing to be done in the future cannot prove, for purposes of the Act, that Ameritech has made unbundled switching available now.

Neither should the FCC be fooled by Ameritech's claim that it has done all it could do to provide ULS. The truth is that Ameritech has consistently resisted efforts to provide ULS, engaging in a textbook "slow roll" designed to assure that this critical and potentially profitable route of entry is delayed to the greatest extent possible. For example:

- In December 1995, Ameritech delayed responding to LDDS and AT&T's request for unbundled local switching. Sanborn Aff., ¶ 54.
- Ameritech failed to respond meaningfully to the Illinois Commerce Commission's June 26, 1996, order directing Ameritech to tariff unbundled local switching. Id.
- Ameritech's August 1, 1996, Illinois tariff for unbundled local switching was so inadequate that it was withdrawn in September 1996. Id.
- Ameritech's Illinois tariff was refiled in October 1996, was consolidated in a generic cost docket, and is still being litigated. Id.
- Ameritech refused MCI's January 29, 1997, request to test unbundled local switching because it was not tariffed and MCI did not have an approved interconnection agreement. Indeed, today MCI still has no approved interconnection agreement with Ameritech in Michigan, and Ameritech is still interposing frivolous "protests" to delay the approval of such an agreement. Id. ¶ 58.
- After MCI's interconnection agreement in Illinois was approved, MCI resubmitted its unbundled switching testing proposal on May 20, 1997. Ameritech responded that testing

had to be pursuant to the agreement's 120-day bona fide request process. Ameritech promises to complete development work -- but not testing -- in late September 1997. Id. ¶ 60.

- At two meetings with MCI in June 1997, Ameritech refused to commit to a price for unbundled local switching, claiming not to have the right personnel at either meeting. Sanborn Supplemental Aff. ¶ 4.

If no CLEC has ordered ULS in a commercial setting, it is only because Ameritech has spent over 18 months slow rolling its ULS offering, and even today is not able to price its ULS offering. It is no wonder that the Wisconsin Commission, the Illinois Hearing Examiner, the MPSC, and the DOJ each has concluded that Ameritech has failed to provide this checklist item.

In all of these ways, the record is inadequate to support Ameritech's application. In place of proof that checklist items are provided, as required by the Act, are promises that they will be provided in the future. Ameritech even goes so far as to promise to pull its application if its actions in the 90-day review period show that its promises are unfulfilled. Moreover, given Ameritech's past performance, we have no doubt that in its reply comments -- in further violation of this Commission's orders -- it will attempt to add to the record in an effort to show that it has made still more progress towards satisfying the checklist in the days since it filed its application, or will offer new promises about the progress it will make in the future.

But, as we observed in our opening submission, § 271 is not about BOC hopes and aspirations, or about BOC promises to take steps to open the local market once the regulator addresses its dilatory requests to "clarify" its obligations under the Act. The Commission has quite properly ruled that the applicant must have "fully implemented" each of the checklist requirements

by the day it files its application. Because Ameritech effectively concedes it has not done this, the DOJ and the MPSC have concluded that it has not satisfied the checklist. This Commission should reach the same conclusion.

II. AMERITECH'S ENTRY INTO MICHIGAN'S LONG-DISTANCE MARKET WOULD DISSERVE THE PUBLIC INTEREST.

Ameritech's entry into Michigan's long-distance market in 42 days would deliver a devastating blow to local competition in Michigan. That being so, Ameritech's BOC apologists are driven to the extreme tack of arguing that the FCC should decline to take local competition into account at all when making its public interest determination. Since local competition is "covered" in the checklist, they suggest the public interest standard must have been intended to cover different matters altogether, "such as the statute's requirements of rate averaging and rate integration." Bell Atlantic Comments at 10; see also SBC/BellSouth Comments at 10-11, i ("absent extraordinary circumstances" -- which are nowhere defined -- satisfaction of the checklist and the requirements of § 272 necessarily make entry in the public interest). The BOCs cite nothing in either the statutory text or its legislative history to prop up their legal argument that "as long as the [checklist] items are available, local markets are, by congressional definition, open." SBC/BellSouth Comments at i.

Such an extreme legal position speaks worlds about the record. As the DOJ concludes, Ameritech remains a "near monopoly" provider of local service in Michigan. DOJ Eval. at 32. Indeed, leaving aside a handful of business customers in "parts of the cities of Grand Rapids and Detroit," id., Ameritech remains every bit the local monopolist it has been over the last century. Michigan retail customers have no choice of local telephone service, and every problem that led to the line-of-business restriction in the first instance is still present in Michigan's local market.

Congress could not have spoken more clearly about its intentions concerning the role it intended the public interest test to play in such a situation. The test was not, as BellSouth would have it, imposed at the urging of the BOCs in order to focus the FCC on the alleged defects of the long-distance market. To the contrary, the BOCs vehemently opposed inclusion of the public interest test, precisely because they wished to make the checklist the only requirement relating to local competition. Indeed, a BOC-sponsored amendment would have required the FCC to find the public interest satisfied so long as the checklist was satisfied. This amendment was rejected. See MCI's Comments at 36 & n.31.

While the legislative opponents of the public interest test argued that satisfaction of the checklist alone was enough of a safeguard to allow BOC long-distance entry, the Congress ultimately concluded that it was impossible for legislators (or regulators) to predict precisely in advance what steps would irreversibly open the local market. Further, Congress insisted upon deregulation "after, not before, markets become competitive." 142 Cong. Rec. S688 (daily ed. Feb. 1, 1996) (statement of Sen. Hollings) (emphasis in original). The checklist set out what Congress understood to be the threshold requirements for the development of local competition; it was not to be mistaken for competition itself. By enacting the public interest test, Congress directed the FCC to look at the market before granting any application:

> The most difficult thing to have happen in the law that we are deliberating here is competition at the local level. . . . I do not know if the checklist is going to work . . . . [The public interest test is included as a separate requirement in order] to make certain that in fact we do get competition at the local level.

141 Cong. Rec. S7970 (daily ed. June 8, 1995) (statement of Sen. Kerry).[16]

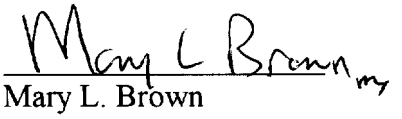
It thus begs reality to assert that in making its public interest analysis the FCC should ignore the local market. If a BOC satisfies the threshold requirements of the checklist, but the FCC determines that because of the BOC's continuing stranglehold on the local market BOC long-distance entry will likely harm both local and long-distance competition, it plainly would not be in the public interest to allow the BOC to enter its in-region long-distance market. If Congress wished to preclude the FCC from making such a judgment, the public interest test is the last thing Congress would have included in the statute. Because Ameritech Michigan retains monopoly control over its local market, Ameritech's entry into its in-region long-distance market would not be in the public interest.

[16] See also MCI Comments at 37-39 & nn.32-34 (citing related comments).

CONCLUSION

For all of these reasons, as well as the reasons stated in MCI's opening Comments, Ameritech's application should be denied.

Respectfully submitted,



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July 7, 1997

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I, Mark D. Schneider, hereby certify that the foregoing "Reply Comments of MCI Telecommunications Corporation" was served this 7th day of July, 1997, by hand, upon each of the following persons:

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Services in Michigan	)	

SUPPLEMENTAL AFFIDAVIT OF CARI A. SANBORN
on Behalf of MCI Telecommunications Corporation

I, Cari A. Sanborn, being first duly sworn upon oath, do hereby depose and state as follows:

1. I am Vice President of Local Service Development, MCI Telecommunications Corporation ("MCI"). I am responsible for MCI's Local Network Planning and Engineering, Service Delivery CAP/Carrier Management, Information Systems Development for Local, Customer Facilities Management, and Local Capabilities Development. I submitted an affidavit with MCI's initial comments filed in this proceeding on June 10, 1997. The purpose of that affidavit was to explain how Ameritech falls short of full compliance with the competitive checklist contained in section 271(c)(2)(B) of the Telecommunications Act of 1996 ("Act").

2. The purpose of my supplemental affidavit is to provide additional information concerning Ameritech's ability to provide unbundled local switching and to process MCI's resale service orders on the day it filed its application for in-region long-distance service in

Michigan. New facts have emerged since my initial affidavit that demonstrate to an even greater degree that Ameritech was not in compliance with the Act's competitive checklist on that date, and that Ameritech's systems and business practices cannot keep up with commercially significant demand levels.

Unbundled Local Switching

3. In paragraphs 40 through 77 of my initial affidavit, I explained the importance of unbundled local switching to MCI's business strategy and described the significant and complex technical and economic issues surrounding the use of unbundled local switching that still must be resolved before unbundled local switching can be used in any commercial manner in Michigan or elsewhere in the Ameritech region. I also chronicled the history of MCI's fruitless attempts to get answers from Ameritech to the many unanswered questions concerning unbundled local switching.

4. Matters have not improved since the filing of my initial affidavit, confirming the conclusion that on the date of its application, Ameritech had not satisfied this checklist item. On June 17, 1997, MCI employees met with Ameritech representatives concerning unbundled local switching. Following a June 2, 1997, meeting at which Ameritech had been unable to answer MCI's pricing questions, purportedly because the necessary personnel were not present, the explicit purpose of the June 17 meeting was to discuss the price MCI would be charged for certain standard unbundled local switching configurations. The Ameritech employees at the meeting could not answer even the most basic questions concerning how unbundled local

switching would be priced. In fact, Ameritech's purported pricing "expert" admitted that she had only reviewed MCI's contract pricing on the morning of the meeting. At that same June 17 meeting, Ameritech was also unable to provide definite pricing information for unbundled tandem switching. Ameritech has not yet developed procedures for MCI to order any type of custom translations in its unbundled tandem switching offering. A copy of a letter from MCI to Ameritech describing these matters in more detail and requesting additional information concerning the pricing and technical implementation of unbundled local switching is attached to this affidavit as Exhibit A.

5. Ameritech's recent conduct serves only to reinforce the conclusion set forth in my initial affidavit that Ameritech was not actually providing unbundled local switching on the day of its application in a manner that is consistent with the requirements of the Act.

6. Moreover, in evaluating Ameritech's assertion that no CLEC really wants unbundled local switching, the Commission may find it relevant that on June 20, several days after Ameritech and MCI signed their Michigan interconnection agreement on June 16, MCI placed an order for unbundled local switching under that agreement. A copy of that order is attached as Exhibit B.

Processing of Resale Service Orders

7. MCI has attempted to pursue an aggressive ordering and testing schedule for resale service in the Ameritech region. Paragraphs 86 through 95 of my initial affidavit, as well as paragraphs 72-109 of Samuel King's affidavit (also submitted with MCI's June 10 comments),

describe the numerous problems MCI has had in having its resale orders processed correctly and in a timely manner. Ameritech has simply not been up to the task, as recent events further confirm.

8. Ameritech has been unable to fulfill MCI's orders for basic resale service in a timely manner. New orders for MCI service where no premises visit is required, as well as migration of existing service from Ameritech to MCI should take one business day. New installations requiring a premises visit should take no more than three business days.

9. Ameritech has fallen woefully short of these standards thus far, as the following chart illustrates:

New Installations

Only 10% of MCI's new installation orders occur in three business days or less.

The average completion time for new installation orders is 6 business days.

Ameritech's completion time for new installations breaks down as follows:

4 business days or more to complete	90%
5 business days	72%
6 business days	44%
7 business days	33%
8 or more business days	28%

Migrations

Only 1% of MCI's migration orders are completed within one business day.

The average completion time is four days.

Ameritech's completion time for migrations breaks down as follows:

3 business days or more to complete	89%
4 business days	52%
5 business days	20%
6 business days	11%
7 business days	8%
8 or more business days	7%

10. These serious delays apparently are due in large part to a massive backlog of orders in Ameritech's system. In a recent meeting with Ameritech representatives, Ameritech acknowledged the backlog and indicated that it planned to hire an additional 50 employees to process resale orders. MCI is unaware of whether Ameritech has actually hired additional personnel.